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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: FIRST UNITED NATIONS DECADE FOR THE ERADICATION OF POVERTY

Report of the Second Committee (Part VII)*

Rapporteur: Mr. Rae Kwon CHUNG (Republic of Korea)

I. INTRODUCTION

1. The Second Committee held a substantive debate on agenda item 97 (see A/52/628, para. 2). Action on sub-item (f) was taken at the 43rd, 44th, 46th and 48th meetings, on 19 and 20 November and 2 and 5 December 1997. An account of the Committee's consideration of the item is contained in the relevant summary records (A/C.2/52/SR.43, 44, 46 and 48).

II. CONSIDERATION OF PROPOSALS

A. Draft resolutions A/C.2/52/L.30 and A/C.2/52/L.34

2. At the 43rd meeting, on 19 November, the representative of the United Republic of Tanzania on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution (A/C.2/52/L.30) entitled "First United Nations Decade for the Eradication of Poverty", which read:

"The General Assembly,

"Recalling its resolutions 48/183 of 21 December 1993, 49/110 of 19 December 1994, 50/107 of 20 December 1995 and 51/178 of 16 December 1996, related to the observance of the International Year for

* The report of the Committee on this agenda item will be issued in several parts under the symbol A/52/628 and addenda.

the Eradication of Poverty (1996), and in which it proclaims the first United Nations Decade for the Eradication of Poverty, and all its other relevant resolutions relating to international cooperation for the eradication of poverty in developing countries,

"Recalling also all declarations and programmes of action of the United Nations major conferences and summits organized since 1990 and the reports and publications on the outcomes of those conferences and summits as they relate to poverty eradication,

"Taking note of the report of the Ad Hoc Committee of the Whole of the Nineteenth Special Session of the General Assembly for the purpose of an overall review and appraisal of the implementation of Agenda 21,[1] the Report on the World Social Situation, 1997,[2] the Human Development Report, 1997[3] and the Trade and Development Report, 1997,[4]

"Expressing its concern that, as underlined in the reports mentioned above, the number of people living in absolute poverty is still increasing, especially in developing countries, and that a majority of them are women,

"Noting decisions, measures and activities undertaken to eradicate poverty by countries and by organizations, agencies, funds, programmes and bodies of the United Nations system, including the World Bank, and by non-governmental organizations and the entire civil society within the framework of the International Year for the Eradication of Poverty and the first year of the First United Nations Decade for the Eradication of Poverty,

"1. Reiterates that the main objective of the First United Nations Decade for the Eradication of Poverty is to achieve the goal of eradicating absolute poverty and reducing overall poverty substantially in the world through decisive national actions and international cooperation in implementing fully and effectively the relevant resolutions and decisions of the United Nations and all agreements and commitments agreed upon at the United Nations major conferences and summits organized since 1990 as they relate to poverty eradication;

"2. Reaffirms that the causes of poverty should be addressed in the context of sectoral strategies, such as those on environment, food security, population, migration, health, shelter, human resources development, fresh water, including clean water and sanitation, rural development and productive employment, and of the specific needs of

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[1] A/S-19/29.

[2] United Nations publication, Sales No. E.97.IV.1.

[3] New York, Oxford University Press, 1997.

[4] United Nations publication, Sales No. E.97.II.D.8.

disadvantaged and vulnerable groups, in such a way as to aim at the social and economic integration of people living in poverty;

"3. Reaffirms also that, within the context of overall action for the eradication of poverty, special attention should be given to the multidimensional nature of poverty, to the national and international framework conditions and policies that are conducive to its eradication, to the promotion of an active and visible policy of mainstreaming a gender perspective and to the utilization of gender analysis as a tool for the integration of a gender dimension into the planning and implementation of policies, strategies and programmes on poverty eradication;

"4. Emphasizes that, in developing countries, rural development remains central to poverty eradication efforts, and this often includes agrarian reform, investment in infrastructure, extension of rural financial intermediation ensuring food security, better education and greater utilization of appropriate technology, ensuring fair prices to provide incentives for agricultural investment, and increasing productivity, including productivity in the informal sector;

"5. Emphasizes also the need to pursue efforts to eradicate poverty in the urban areas in all countries;

"6. Decides that every year the International Day for the Eradication of Poverty (17 October) should be marked by concentrating on the themes that the General Assembly chooses for that year;

"7. Reiterates that all Governments shall formulate or strengthen integrated poverty eradication strategies and policies and implement national poverty eradication plans or programmes in a participatory manner, so as to address the structural causes of poverty, encompassing action on the local, national, subregional, regional and international levels;

"8. Reaffirms, that developed countries should, as soon as possible, strive for the fulfilment of the agreed target of 0.7 per cent of their gross national product for overall official development assistance and, where agreed, within that target, earmark 0.15-0.20 per cent of gross national product for the least developed countries;

"9. Expresses concern that the debt and debt-servicing problems of developing countries continue to impede efforts to eradicate poverty and, in this context, notes that the initiative on the heavily indebted poor countries is valuable but, even when fully operational, will leave untouched much of the debt of severely indebted low-income countries, and calls upon the international community, including multilateral financial institutions, to take further major initiatives on debt cancellation and/or alleviation and to implement fully and effectively all initiatives taken that will contribute to a durable solution of the debt problems of developing countries, in particular African countries and the least developed countries, and thus support their efforts to eradicate poverty;

"10. Takes note of the Declaration and Plan of Action adopted by the Microcredit Summit held in Washington, D.C., in February 1997,[5] and calls upon all Governments, the United Nations system, including the Bretton Woods institutions and the relevant non-governmental organizations and other actors of civil society, to contribute fully to the implementation of the outcome of that Summit and to support the development, management and assessment of microcredit programmes in developing countries, particularly in African countries and the least developed countries;

"11. Invites the Administrator of the United Nations Development Programme to extend projects under the rubric 'poverty strategies initiative' to all developing countries in order to make the initiative closely geared to the poverty eradication goals of the commitments adopted at the World Summit for Social Development[6] and to strengthen assistance in the elaboration of national plans, programmes and strategies to eradicate poverty, particularly in African countries and the least developed countries;

"12. Calls upon all donors to give high priority to the eradication of poverty in their assistance budgets and programmes, on either a bilateral or multilateral basis, and also invites the relevant funds, programmes and agencies of the United Nations system to support developing countries, particularly African countries and the least developed countries, in their efforts to achieve the overall goal of eradicating poverty and ensuring basic social services, by supporting national efforts to formulate, coordinate, implement, monitor and assess integrated poverty strategies, including capacity-building, and by supporting efforts to empower people living in poverty;

"13. Requests the Secretary-General to report to it at its fifty-third session on progress made in the implementation of measures, themes, recommendations and activities related to the First United Nations Decade for the Eradication of Poverty, including recommendations for possible actions and initiatives for the rest of the Decade;

"14. Decides to include in the provisional agenda of its fifty-third session an item entitled 'Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)'."

3. At the 46th meeting, on 2 December, the Vice-Chairman of the Committee, Mr. Hans-Peter Glanzer (Austria), introduced and orally corrected a draft resolution entitled "First United Nations Decade for the Eradication of Poverty" (A/C.2/52/L.34), which he submitted on the basis of informal consultations held on draft resolution A/C.2/52/L.30.

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[5] A/52/113, annex.

[6] See Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995 (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex I.C.

4. Before the adoption of the draft resolution, the representative of the United States of America made a statement (see A/C.2/52/SR.46).

5. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.34, as orally corrected (see para. 10, draft resolution I).

6. In the light of the adoption of draft resolution A/C.2/52/L.34, draft resolution A/C.2/52/L.30 was withdrawn by its sponsors.

B. Draft resolutions A/C.2/52/L.27 and A/C.2/52/L.27/Rev.1

7. At the 44th meeting, on 20 November, the representative of Bangladesh, on behalf of Cape Verde and Peru, as well as Canada, Chile, Indonesia, Italy, Japan, the Lao People's Democratic Republic, Lebanon, Malaysia, Mali, Mongolia, Mozambique, Namibia, Samoa, Senegal, Spain, Sri Lanka, Uganda and the United States of America, introduced a draft resolution entitled "Role of microcredit in the eradication of poverty" (A/C.2/52/L.27), which read:

"The General Assembly,

"Taking note of the report of the Secretary-General on the observance of the International Year for the Eradication of Poverty (1996) and recommendations for the rest of the First United Nations Decade for the Eradication of Poverty,[1]

"Recognizing that people living in poverty are innately capable of working their way out of poverty with dignity, and can demonstrate creative potentials to improve their situation when an enabling environment and the right opportunities exist,

"Noting that in many countries of the world, microcredit programmes, by providing access to small capitals to people living in poverty, have succeeded in generating productive self-employment,

"Also noting that microcredit programmes have proved to be an effective tool in freeing people from the bondage of poverty, and have led to their increasing participation in the mainstream economic and political processes of society,

"Bearing in mind that microcredit programmes have especially benefited women and have resulted in the achievement of their empowerment in a world where more women than men live in absolute poverty and that imbalance continues to grow,

"Recognizing that microcredit programmes, in addition to their role in the eradication of poverty, have also contributed to the social and human development process,

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[1] A/52/573.

"1. Welcomes the outcome of the Microcredit Summit, held at Washington, D.C., from 2 to 4 February 1997, which through its Declaration and Plan of Action,[8] launched a global movement to reach 100 million of the world's poorest families, especially women of those families, with credit for self-employment and other financial and business services, by the year 2005;

"2. Notes with satisfaction that, as called for in Assembly resolution 51/178 of 16 December 1996, many United Nations agencies and the World Bank have actively participated in the Summit and thus contributed to its successful outcome;

"3. Takes note of the Declaration and Plan of Action of the Microcredit Summit,[8] the communiqué[9] issued by the Council of Heads of State and Government at the Summit, and messages to the Summit from the Chairman of the Group of 77 and China[10] and the Secretary-General of the United Nations;[11]

"4. Encourages all involved in poverty eradication programmes to consider incorporating microcredit schemes in their strategies;

"5. Also encourages them to adopt policies that support the development of microcredit institutions so that credit may be made available to increasing numbers of people living in poverty;

"6. Calls on the relevant organs, organizations and bodies of the United Nations system, in particular its funds and programmes and the regional commissions, as well as international and regional financial institutions and donor agencies involved in the eradication of poverty, to explore including the microcredit approach in their programmes as a tool for the eradication of poverty;

"7. Calls on all concerned non-governmental organizations, other actors of civil society and the private sector to support and incorporate, as appropriate, microcredit schemes in their programmes for the eradication of poverty;

"8. Takes note of the positive references in support of the role of microcredit contained in the final documents of the Meeting of Foreign Ministers of the Non-Aligned Movement (New Delhi, 4-8 April 1997), the Ninth South Asian Association for Regional Cooperation Summit (Male, 12-14 May 1997), the Organization of African Unity Summit (Harare, 2-4 June 1997), the substantive session of 1997 of the Economic and Social

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[8] A/52/113, annex I.

[9] Ibid., annex II.

[10] Ibid., annex III.

[11] Ibid., annex IV.

Council (Geneva, 30 June-25 July 1997) and the Commonwealth Heads of Government Meeting (Edinburgh, 24-27 October 1997)."

8. At the 48th meeting, on 5 December, the representative of Bangladesh, also on behalf of Benin, Bolivia, Brazil, Canada, Cape Verde, Chile, Costa Rica, Côte d'Ivoire, Egypt, El Salvador, Ethiopia, Ghana, Guyana, India, Indonesia, Italy, Japan, the Lao People's Democratic Republic, Lesotho, Malaysia, Mali, Malawi, Mauritania, Mongolia, Mozambique, Namibia, Nepal, Pakistan, Papua New Guinea, Peru, the Philippines, Samoa, Senegal, Spain, Sri Lanka, Tunisia, Uganda and the United States of America, introduced and orally corrected a revised draft resolution entitled "Role of microcredit in the eradication of poverty" (A/C.2/52/L.27/Rev.1).

9. At the same meeting, the Committee adopted draft resolution A/C.2/52/L.27/Rev.1, as orally corrected (see para. 10, draft resolution II).

III. RECOMMENDATIONS OF THE SECOND COMMITTEE

10. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

First United Nations Decade for the Eradication of Poverty

The General Assembly,

Recalling its resolutions 48/183 of 21 December 1993, 49/110 of 19 December 1994, 50/107 of 20 December 1995 and 51/178 of 16 December 1996, related to the observance of the International Year for the Eradication of Poverty (1996), and to the first United Nations Decade for the Eradication of Poverty (1997-2006), and all its other relevant resolutions relating to international cooperation for the eradication of poverty in developing countries,

Recalling also all declarations and programmes of action of the United Nations major conferences and summits organized since 1990 and the reports and publications on the outcomes of those conferences and summits as they relate to poverty eradication,

Taking note of the Programme for the Further Implementation of Agenda 21, adopted by the General Assembly at its nineteenth special session for the purpose of an overall review and appraisal of the implementation of Agenda 21,[12]

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[12] See resolution S-19/1.

the Report on the World Social Situation, 1997,[13] the Human Development Report, 1997[14] and the Trade and Development Report, 1997,[15]

Expressing its concern that, as underlined in the reports mentioned above, the number of people living in absolute poverty is still increasing, especially in developing countries, and that a majority of them are women,

Noting decisions, measures and activities undertaken to eradicate poverty by countries and by organizations, agencies, funds, programmes and bodies of the United Nations system, including the World Bank, as well as by non-governmental organizations and the entire civil society within the framework of the International Year for the Eradication of Poverty and the first year of the first United Nations Decade for the Eradication of Poverty,

1. Reiterates that the main objective of the First United Nations Decade for the Eradication of Poverty is to achieve the goal of eradicating absolute poverty and reducing overall poverty substantially in the world through decisive national actions and international cooperation in implementing fully and effectively the relevant resolutions and decisions of the United Nations and all agreements and commitments agreed upon at the United Nations major conferences and summits organized since 1990 as they relate to poverty eradication;

2. Reaffirms that, within the context of overall action for the eradication of poverty, special attention should be given to the multidimensional nature of poverty, to the national and international framework conditions and policies that are conducive to its eradication, which should aim at the social and economic integration of people living in poverty, and to the promotion and protection of all human rights and fundamental freedoms for all, including the right to development;

3. Reaffirms also that the causes of poverty should be addressed in the context of sectoral strategies, such as those on environment, food security, population, migration, health, shelter, human resources development, including education, fresh water, including clean water and sanitation, rural development and productive employment, and of the specific needs of disadvantaged and vulnerable groups, in such a way as to increase opportunities and choices of people living in poverty and enable them to build their strengths and assets so as to reach social and economic integration;

4. Reaffirms further that all Governments and the United Nations system, in particular the relevant funds, programmes and agencies, should promote an active and visible policy of mainstreaming a gender perspective and use gender analysis as a tool for the integration of a gender dimension into the planning and implementation of policies, strategies and programmes on poverty eradication;

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[13] United Nations publication, Sales No. E.97.IV.1.

[14] New York, Oxford University Press, 1997.

[15] United Nations publication, Sales No. E.97.II.D.8.

5. Emphasizes that, in developing countries, rural development remains central to poverty eradication efforts, and this often includes agrarian reform, investment in infrastructure, extension of rural financial intermediation ensuring food security, better education and greater utilization of appropriate technology, ensuring fair prices to provide incentives for agricultural investment, and increasing productivity, including productivity in the informal sector;

6. Emphasizes also that in all countries, urban poverty should be addressed, inter alia, by promoting sustainable livelihoods for people living in urban poverty through the provision or expansion of access to training, education and other employment assistance services, in particular for women, youth, the unemployed and the underemployed;

7. Decides that every year the International Day for the Eradication of Poverty (17 October) should be marked by concentrating on the themes that the General Assembly chooses for that year;

8. Renews its recommendation that all Governments formulate or strengthen integrated poverty eradication strategies and policies and implement national poverty eradication plans or programmes in a participatory manner, to address the structural causes of poverty, encompassing action at local, national, subregional, regional and international levels, and stresses that those plans or programmes should establish, within each national context, strategies and affordable time-bound goals and targets for the substantial reduction of overall poverty and the eradication of absolute poverty;

9. Calls upon developed countries to reaffirm the commitments undertaken to fulfil, as soon as possible, the agreed target of 0.7 per cent of their gross national product for overall development assistance and, where agreed, within that target, to earmark 0.15 to 0.20 per cent of the gross national product for the least developed countries;

10. Invites the international community, including multilateral financial institutions, to implement fully and effectively all initiatives taken regarding debt relief for developing countries, including Naples terms and the Heavily Indebted Poor Countries' Debt Initiative, and to continue their efforts in this field with a view to contributing to a durable solution to the debt problems of developing countries, and encourages donors to ensure adequate financing of these mechanisms and/or initiatives, particularly in African countries and the least developed countries, and thus support their efforts to eradicate poverty;

11. Takes note of the various international microfinance initiatives launched in recent years, such as the Microcredit Summit, held in Washington, D.C., in February 1997,[16] and the Consultative Group of Assistance to the Poorest, and invites all Governments, the United Nations system, including the Bretton Woods institutions, the relevant non-governmental organizations, the private sector and other actors of civil society to focus on the importance of increasing access to microcredit and related financial

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[16] See A/52/113, annex.

services for self-employment and income-generating activities for people living in poverty, in particular women in developing countries, particularly in Africa and the least developed countries, and to support the corresponding programmes and actions;

12. Invites the Executive Board of the United Nations Development Programme/United Nations Population Fund to consider extending projects under the rubric "Poverty Strategies Initiative" to all developing countries in order to make the initiative closely geared to the poverty eradication goals of the commitments adopted at the World Summit for Social Development[1] and to strengthen assistance in the elaboration of national plans, programmes and strategies to eradicate poverty, particularly in African countries and the least developed countries, and calls upon all countries to contribute to the Initiative;

13. Calls upon all donors to give high priority to the eradication of poverty in their assistance budgets and programmes, on both bilateral and multilateral bases, and also invites the relevant funds, programmes and agencies of the United Nations system to support developing countries, particularly African countries and the least developed countries, in their efforts to achieve the overall goal of eradicating poverty and ensuring basic social services, by supporting national efforts to formulate, coordinate, implement, monitor and assess integrated poverty strategies, including capacity-building, and by supporting efforts to empower people living in poverty;

14. Reaffirms the importance of agreeing on a mutual commitment between interested developed and developing country partners to allocate, on average, 20 per cent of official development assistance and 20 per cent of the national budget, respectively, to basic social programmes, and recalls the outcome of the Oslo meeting which reaffirmed that promoting access for all basic social services was essential for sustainable development and should be an integral part of any strategy to overcome poverty;

15. Requests the Secretary-General to report to it at its fifty-third session on progress made in the implementation of measures, themes, recommendations and activities related to the first United Nations Decade for the Eradication of Poverty, including recommendations for possible actions and initiatives for the rest of the Decade, as well as proposals for a better coordination of actions taken by the United Nations system;

16. Decides to include in the provisional agenda of its fifty-third session an item entitled "Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)".

[1] See Report of the World Summit for Social Development, Copenhagen,

DRAFT RESOLUTION II

Role of microcredit in the eradication of poverty

The General Assembly,

Taking note of the report of the Secretary-General on the observance of the International Year for the Eradication of Poverty (1996) and recommendations for the rest of the First United Nations Decade for the Eradication of Poverty (1997-2006),[19]

Recognizing that people living in poverty are innately capable of working their way out of poverty with dignity, and can demonstrate creative potentials to improve their situation when an enabling environment and the right opportunities exist,

Noting that in many countries of the world, microcredit programmes, by providing access to small capitals to people living in poverty, have succeeded in generating productive self-employment,

Also noting that microcredit programmes have proved to be an effective tool in freeing people from the bondage of poverty, and have led to their increasing participation in the mainstream economic and political process of society,

Bearing in mind that microcredit programmes have especially benefited women and have resulted in the achievement of their empowerment in a world where more women than men live in absolute poverty and that the imbalance continues to grow,

Recognizing that microcredit programmes, in addition to their role in the eradication of poverty, have also been a contributing factor to the social and human development process,

Noting that the qualitative and quantitative development of microcredit institutions and their capacity to reach the marginalized groups requires the provision of an enabling environment, including a policy framework for the financial sector, as well as linkages to the formal financial sector,

Bearing in mind the importance of microfinance instruments such as credit, savings and related business services in providing access to capital for people living in poverty,

Noting that the provision of finance to microcredit institutions should be commensurate with their absorptive capacity and that efforts should be made to strengthen and enhance that capacity,

Association for Regional Cooperation Summit (Male, 12-14 May 1997), the Organization of African Unity Summit (Harare, 2-4 June 1997), the substantive session of 1997 of the Economic and Social Council (Geneva, 30 June-25 July 1997) and the Commonwealth Heads of Government Meeting (Edinburgh, 24-27 October 1997) as well as the Group of Seven statement on economic and financial issues (Denver, Colorado, 21 June 1997),

1. Welcomes the launching of different microcredit initiatives in recent years and acknowledges their important contribution to the eradication of poverty, empowerment of women and social upliftment;

2. Welcomes also the outcome of the Microcredit Summit, held at Washington, D.C., from 2 to 4 February 1997, which through its Declaration and Plan of Action,[19] endorsed a global campaign to reach 100 million of the world's poorest families, especially women of those families, with credit for self-employment and other financial and business services, by the year 2005;

3. Notes with satisfaction that, as called for in Assembly resolution 51/178 of 16 December 1996, many United Nations agencies and the World Bank actively participated in the Summit and thus contributed to its successful outcome;

4. Takes note of the Declaration and Plan of Action of the Microcredit Summit,[19] the communiqué[20] issued by the Council of Heads of State and Government at the Summit, and messages to the Summit from the Chairman of the Group of 77 and China[21] and the Secretary-General of the United Nations;[22]

5. Recognizes the important contributions being made by the United Nations system and by the Consultative Group to Assist the Poorest, sponsored by the World Bank, to develop and disseminate best practices among all organizations engaged in the provision of financial services on a sustainable basis to people living in poverty;

6. Encourages all involved in poverty eradication programmes to consider incorporating microcredit schemes in their strategies;

7. Also encourages them to adopt policies that support the development of microcredit institutions and their capacities so that credit and related services may be made available to increasing numbers of people living in poverty;

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[19] A/52/113, annex I.

8. Calls upon the international donor community to support the strengthening of existing and emerging microcredit institutions in the developing countries, especially the least developed and the African countries;

9. Also calls upon the relevant organs, organizations and bodies of the United Nations system, in particular its funds and programmes and the regional commissions, as well as relevant international and regional financial institutions and donor agencies involved in the eradication of poverty, to explore including the microcredit approach in their programmes as a tool for the eradication of poverty and further developing, where appropriate, other microfinance instruments;

10. Calls upon all concerned non-governmental organizations, other actors of civil society and the private sector to support and incorporate, as appropriate, microcredit and related services in their programmes for the eradication of poverty;

11. Requests the Secretary-General, in collaboration with relevant organizations of the United Nations system, including funds and programmes and the World Bank, to submit to it at its fifty-third session a report on the role of microcredit in the eradication of poverty in the follow-up to resolution 52/___ entitled "First United Nations Decade for the Eradication of Poverty";

12. Decides to include future discussions of the role of microcredit under the item entitled "Implementation of the First United Nations Decade for the Eradication of Poverty (1997-2006)".